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support bulletin 1969

FOR INFORMATION OF HEADQUARTERS AND FIELD PERSONNEL

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PURPOSE

The Support Bulletin, published periodically, is designed to keep headquarters and field personnel informed on administrative, personnel, and support matters. The Support Bulletin is not directive in nature but rather attempts to present items which, in general, are of interest to all personnel and, in particular, of interest to those employees occupying various support positions. Suggestions and constructive criticism from both headquarters and field personnel are encouraged.

NOTE: — This bulletin is *for information only*. It does not constitute authority for action and is in no way a substitute for regulatory material.


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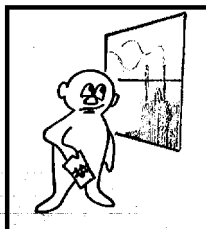
DOES
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RETIRE

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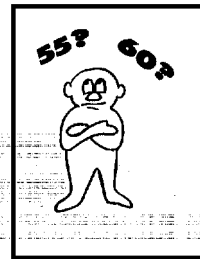
The answer to the above question depends on what you mean by "pay." From the standpoint of health and longevity, the need for a new challenge or for being your own boss, and other subjective factors, it might pay many people to retire early regardless of the financial aspects. This article emphasizes factors involved in considering a second salaried career under Social Security versus continuing under the Civil Service Retirement System.

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The Obvious Advantage

If the time is not too far off when you will be eligible for a Civil Service annuity, the idea of a second career in private industry has probably occurred to you. But if you are a typical employee, you probably have had some trouble figuring whether or not it would be worthwhile financially to retire early. It is obvious that if you can obtain a job in private industry at your present salary, your increase in income will be at least the amount of your annuity. Or to look at it another way, continuing to work for \$7,000 a year at a government job when you are entitled to a \$4,000 annuity is like working for \$3,000.



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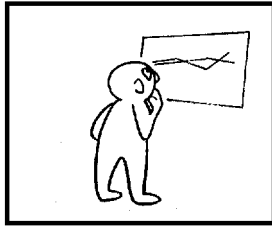
The Big Question

But the big question is—how about the long run? To answer this question, we have worked up the chart at the end of the article comparing the five years' income of a 55-year old retiree with his income if he had waited to retire at age 60.

For ease in computing the comparison, we have assumed in both situations that he is an unmarried employee with the same Government salary over the years 50 to 60. We also have assumed that a retiree continuing to receive the same salary in private industry could save practically all of his Civil Service annuity, particularly since he would pay no income taxes on it until he received the equivalent of his own contributions. He could readily invest his savings at the end of each year in 5 per cent certificates of deposit.

You may be surprised to see that the charts show that the increased income for the early retiree (age 55 with 30 years' service) ranges from \$21,256 for the \$7,000 per annum employee to \$61,536 for the \$20,000 per annum employee. In addition, the "early" retiree will receive more income each year beginning with age 60.

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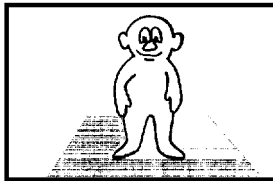


How Comparisons Were Figured

Here are the details of how one of the comparisons was figured.

Let us assume that you have been working for \$10,000 a year, have 30 years service and will reach age 55 in December 1968. If you retire on 1 January 1969, you will receive an annuity of \$5,628 per year, based on a "high-five" average of \$10,000. If at the same time you start a job in private industry at \$10,000 per year, your annual income for that year will be \$15,628. By investing \$5,000 of the \$5,628 in a certificate of deposit at 5 per cent on 1 January 1970, you will receive \$250 interest in 1970. By allowing your interest to accumulate and continuing to invest \$5,000 each year for four more years, you will receive \$1,304 in interest per annum in your 60th year and each year thereafter.

Now let us assume that instead of retiring on 1 January 1969, you continue to work in your present job at the same salary until age 60. Your retirement annuity at age 60 would be \$6,624. Your total earnings for the five-year period up to age 60 will be \$50,000 which would be \$30,767 less than if you had retired at age 55 and worked as indicated above. And, in addition, your annual income after age 60 would be less—over \$1,000 less when the retiree (early) gets his Social Security pension.



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Other Advantages of Early Retirement

The advantages of retiring early and continuing to work in private industry under the Social Security

System in addition to the increased total earnings and higher annual income include the following:

If you need to work for additional income after age 60, it is easier to find a job at 55 and continue working to age 65 than to find one after 60.

The 6½ percent deduction for Civil Service

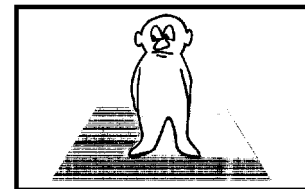
Retirement is no longer taken from your government income. This is partially offset by Social Security deductions of 4.4 percent—5.7 percent on the first \$7,800 of annual salary.

You continue to be insured under FEGLI life insurance at no cost.

You have income tax advantages under the Federal and most of the States' income tax laws.

In addition to receiving a pension under the Social Security System, you will also qualify for death and survivor benefits, and at age 65 for the Hospital Plan under Medicare.

You may be entitled to benefits from your employer in private industry under his pension and insurance plans.



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Disadvantages in Early Retirement

The disadvantages in retiring early include the loss in general Government increases, in-grade promotions, increased length of service, and the higher "high-5" annual rate of pay used for the computation of your Civil Service retirement annuity. Nevertheless, it is quite probable that you would receive salary increases for work in private industry which might overcome the disadvantages.

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Advantages for employee 55 years old with 30 years of government service who retires and works outside government for 5 years instead of continuing same job to age 60.

FIVE YEAR INCOME BEGINNING AT AGE 55

	AT ANNUAL SALARY OF		
	\$7,000	\$10,000	\$20,000
<i>For Early Retiree (at age 55)</i>			
Civil Service Annuity	19,680	28,140	56,280
Under Social Security System	35,000	50,000	100,000
Savings Deposited (projected)	(15,000)	(25,000)	(50,000)
Interest Received on Savings @ 5% Cumulated Annually	1,576	2,627	5,256
TOTAL	56,256	80,767	161,536
<i>For Late Retiree (at age 60)</i>			
Government Salary	35,000	50,000	100,000
Advantage For Early Retiree	21,256	30,767	61,536

ANNUAL INCOME BEGINNING AT AGE 60

	AT ANNUAL SALARY OF		
	\$7,000	\$10,000	\$20,000
<i>For Early Retiree</i>			
Civil Service Annuity	3,936	5,628	11,256
Interest on Savings @ 5%	829	1,304	2,608
Social Security Pension at Age 62*	792	852	852
TOTAL	5,557	7,784	14,716
<i>For Late Retiree</i>			
Civil Service Annuity	4,632	6,624	13,248
Advantage For Early Retiree**	925	1,160	1,468

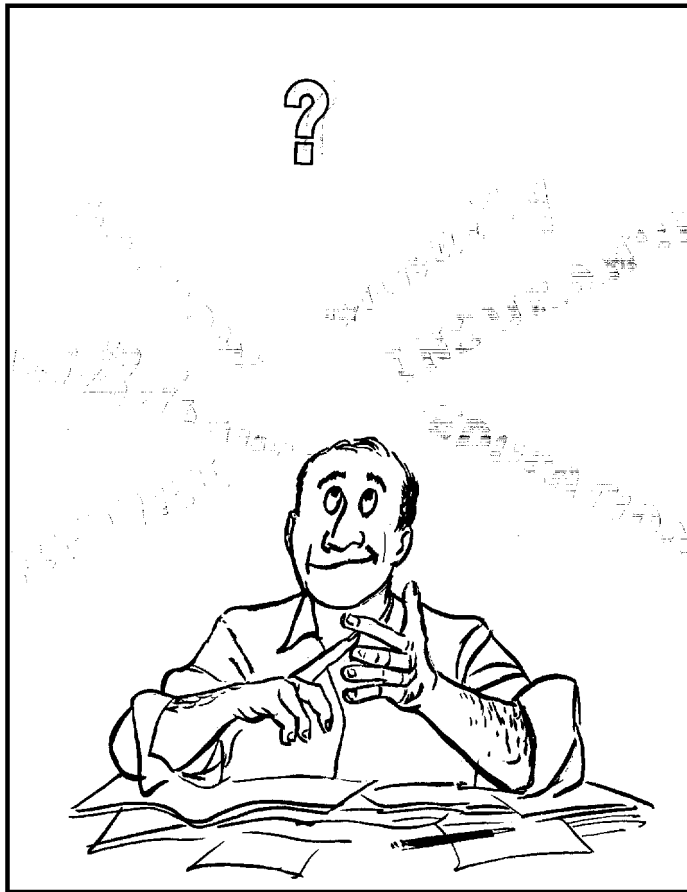
* After earning a minimum of \$50 each calendar quarter for two years (age 60 and 61).

** In addition, early retiree has sizable savings.

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RETIREMENT— CREDIT UNION BALANCES

Q. I am retiring in June 1969, at which time I will have a balance still owing on my Credit Union loan and also some shares earning dividends. Will I have to borrow from another source to pay off my loan? Must I withdraw my shares and lose the interest?

A. With respect to the share balance, "a member who ceases to be within the field of membership shall terminate his membership or shall have his membership terminated no later than the close of the dividend period in which he leaves the field of membership." As to the outstanding loan balance, "a member who leaves the field of membership while obligated to the Credit Union as a borrower, endorser, co-maker, or guarantor shall be continued as a member until the close of the dividend period in which the obligation is satisfied."

HEALTH INSURANCE FOR RETIREES

Q. I understand that there are definite limitations on when I can change my health insurance enrollment while I am an employee. Do these rules still apply to me after I retire? If I cancel my Federal health insurance now, may I pick it up again later as a retired annuitant?

A. The Civil Service Commission establishes the regulations governing enrollment and changes in enrollment under the Federal Employees Health Benefits Program. They have established a "Table of Events" which indicates when an employee may enroll, change plans, change from single to family coverage, and change options within a plan. A copy of this table may be found on the reverse side of the second copy of the Health Benefits Registration Form (SF 2809). A similar but slightly different table applies to retired employees, but retired annuitants are prohibited from changing from not enrolled to enrolled under the Federal Employees Health Benefits Program. Therefore, if you cancel your Federal health insurance now, you will not be able to pick it up again later as a retired annuitant.

The Civil Service Commission has announced that the next "Open Season" for health insurance changes will be November 10 to 28, 1969. However, they have stipulated that this "Open Season" will apply to employees only—not to retired annuitants.

Q. As a military retiree, I am entitled to free health insurance under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). Should I continue coverage with my present plan under the Federal Employees Health Benefits Program in addition to the free coverage that I have as a military retiree?

A. This question can be answered only by you, based on the needs of you and your family. However, in making the decision, you should be aware of one important fact. In the event you incur medical expenses which are covered by both plans of insurance, the total benefits from both plans will

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not be more than your total covered expenses. That is, there will be no duplication of coverage. In such a case, it is usually necessary to file duplicate claims with both plans, informing each that you are insured by the other. The two insurance plans will then determine which is to pay what part of your claim. Rules for determining which plan pays its full benefits have been worked out between the Executive Director of CHAMPUS and these other insurance plans.

In making your decision to continue or cancel your present plan under the Federal Employees Health Benefits Program, you should also be aware of the fact that benefits from civilian sources under the CHAMPUS program will terminate if you reach age 65 and are then eligible for hospital insurance benefits under the Social Security Health Insurance Program for the Aged (popularly known as Medicare). Under such circumstances, and since you cannot, as an annuitant, change from not enrolled to enrolled in the Federal Employees Health Benefits Program, you could be left with only the Social Security Medicare coverage at age 65.

AIR TRAVEL INSURANCE

Q. I am going on a trip which will involve air travel. What insurance coverage is available to me through the insurance office?

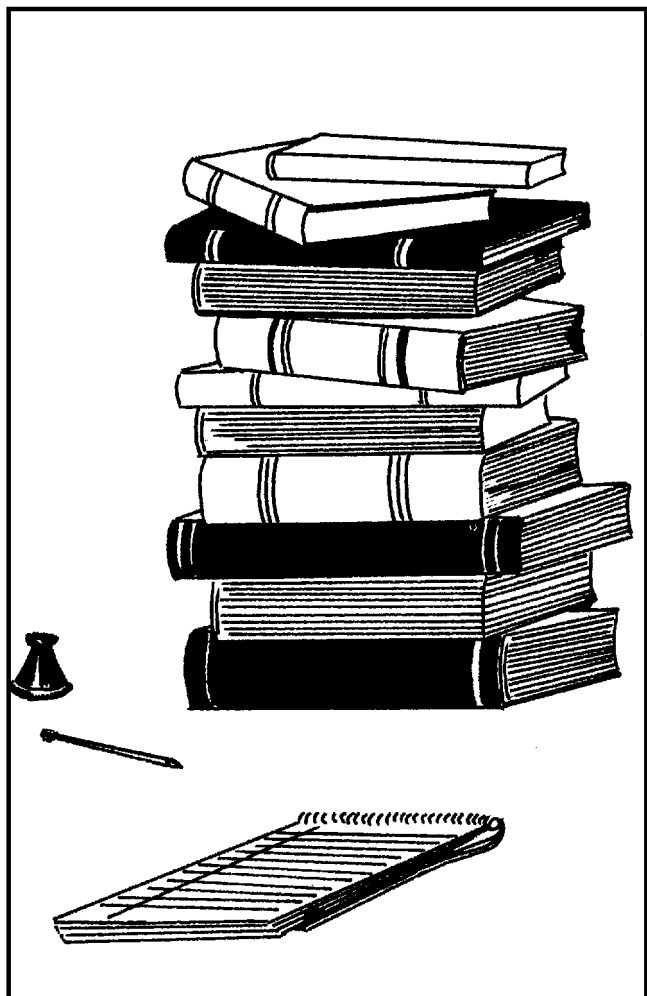
A. The insurance office offers three plans with coverage varying from that which is applicable solely to scheduled commercial aircraft, to coverage while traveling as a passenger on military aircraft and chartered private flights. Before purchasing any of these coverages, you should consult a representative of the insurance office to determine which of the available plans is appropriate for the circumstances of your particular flight. Two of the plans are trip insurance. That is, they cover you for a single specified trip. The other provides annual coverage without regard to the number of trips or flights you make.

EDUCATIONAL ALLOWANCE

Q. I am planning on an overseas assignment and have a five-year-old child. Do the Standardized Regulations provide for the payment of an education allowance on behalf of children attending kindergarten?

A. No. Education allowances are granted only at those posts where the costs of adequate schooling in grades 1 through 12 are in excess of the costs that would be incurred for a child in a United States public school.

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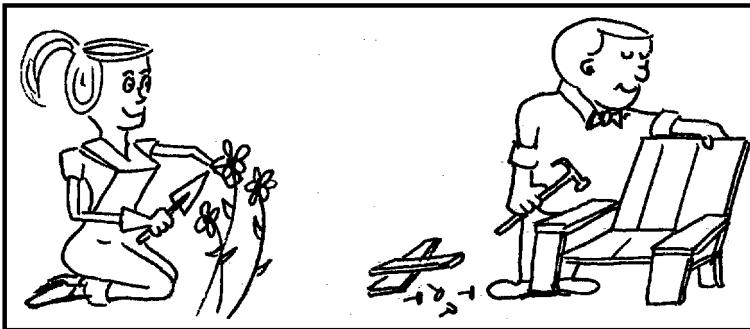
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The many benefits of a HOBBY

A Chance to Unwind

The pleasures one obtains from a hobby are well known to those who have developed such avocational interests early in life. But seldom considered are the equally important fringe benefits which accrue to the individual in pursuit of a hobby.

For those involved in crisis management, perhaps the most important benefit of a hobby is relaxation, a chance to "unwind." Time spent in reading, sorting coins and stamps, building models, constructing intricate electrical circuits, and the like, allow the individual a chance to slow down. His thoughts are momentarily distracted from vital matters of the day, and his hands and mind are allowed to dwell on other matters, shifting the day's burdens to a lesser position for a time. When recalled the following day, these burdens and decision-making can be viewed with a refreshed mind.



Physical and Financial Benefits

Other hobbies provide much needed physical therapy. Be it on the golf course or tennis court, assisting in youth activities such as scouting and Little League, or a pastime pursuit at home, many hobbies not only refresh the mind, but also aid the regularly chair-borne individual to secure a degree of physical rehabilitation. Consider, for example, the many hobby interests which are used in Veterans Administration hospitals for physical therapy, if not mental reconditioning.

Also beneficial are those pastime interests which accrue financially. Hobby collections ranging from coins to stamps to rare books, by their nature, increase in value over the years and add to one's financial worth. The estate value or tax deductible value of such hobbies should not be ignored.

For Isolated Assignments or Retirement

Perhaps a portion of your career will be spent in areas where there are few recreational facilities. The value of the hobby for enjoyment of off-duty hours during such an assignment cannot be underestimated.

In one's retirement years, a hobby acquired early in life serves to increase the enjoyment and occupy newly gained hours of free time. If one has developed his hobby sufficiently by that time, the hours spent in crafts, collecting, etc. may be those of total enjoyment, the necessary expertise having been obtained much earlier.

Consider the values of the many hobbies which might be of interest to you. Be it lapidary, book-binding, printing, cabinet making, or any of the scores of interesting fields awaiting your pleasure, you will find equally as many books to whet your interest.

Join or Start a Club

Among your co-workers, you will find many who have already acquired and developed hobbies which might be of interest to you. Most hobbyists have an almost missionary-type zeal and will be eager to assist you in getting started. Many of them have formed clubs, which are always on the look-out for new members. If you need information on club activities or want help in starting a club, contact the employee activities officer in the Personnel Office.

Explore the many pastime interests which can be fitted into your free hours, learn the pleasure and satisfaction which can be your reward, note the several fringe benefits of the hobby of your interest, and begin. Time can be "awasting."

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ESTIMATING YOUR CIVIL SERVICE AND RESERVE ANNUITIES

Previous issues of the *Bulletin* have furnished prospective retirees with formulas for computing their Civil Service and Military Reserve retirement annuities. However, for those persons who want a quick and easy method of estimating their annuities for planning purposes, we believe that the two charts below will prove useful.

POINT VALUE CHART FOR RESERVE RETIREMENT

This simple one-step system gives you an estimate of the amount in your monthly paycheck. Multiply your point value by the approximate number of points you will earn and the result is the dollar value of your retirement check.

HIGHEST GRADE HELD	OVER 20 YRS. POINT VALUE	OVER 22 YRS. POINT VALUE	OVER 26 YRS. POINT VALUE
Maj. General .....	.12000	.12483	.12483
Brig. General .....	.10854	.10854	.10854
Colonel .....	.08308	.08790	.09535
Lt. Colonel .....	.07515	.07779	.07779
Major .....	.06506	.06506	.06506
*Captain .....	.05713	.05713	.05713
Captain .....	.05625	.05625	.05625
*1st Lt. ....	.04835	.04835	.04835
1st Lt. ....	.04173	.04173	.04173
*2nd Lt. ....	.04088	.04088	.04088
2nd Lt. ....	.03294	.03294	.03294
WO (W-4) .....	.05404	.05583	.06017
WO (W-3) .....	.04748	.04921	.05098
WO (W-2) .....	.04260	.04435	.04435
WO (W-1) .....	.03956	.03956	.03956
CMSgt. ....	.04463	.04698	.05154
SMSgt. ....	.03913	.04144	.04604
MSgt. ....	.03452	.03683	.04144
TSgt.03038	.03038	.03038
SSgt.02577	.02577	.02577

*With over four years active enlisted service.

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YEARS OF SERVICE	\$2,501-3,333 (A)	\$3,334-4,999 (B)	\$5,000 OR MORE (C)
10	0.10	0.1375	0.1625
11	.12	.1575	.1825
12	.14	.1775	.2025
13	.16	.1975	.2225
14	.18	.2175	.2425
15	.20	.2375	.2625
16	.22	.2575	.2825
17	.24	.2775	.3025
18	.26	.2975	.3225
19	.28	.3175	.3425
20	.30	.3375	.3625
21	.32	.3575	.3825
22	.34	.3775	.4025
23	.36	.3975	.4225
24	.38	.4175	.4425
25	.40	.4375	.4625
26	.42	.4575	.4825
27	.44	.4775	.5025
28	.46	.4975	.5225
29	.48	.5175	.5425
30	.50	.5375	.5625
31	.52	.5575	.5825
32	.54	.5775	.6025
33	.56	.5975	.6225
34	.58	.6175	.6425
35	.60	.6375	.6625
36	.62	.6575	.6825
37	.64	.6775	.7025
38	.66	.6975	.7225
39	.68	.7175	.7425

1. If high-five average salary is between \$2,501 and \$3,333, inclusive, multiply it by the factor in Column A opposite the applicable years of service. Add \$250 to the product obtained. The sum of the two is the basic annuity.
2. If high-five average salary is between \$3,334 and 4,999, inclusive, multiply it by the factor in Column B opposite the applicable years of service. Add \$125 to the product obtained. The sum of the two is the basic annuity.
3. If high-five average salary is \$5,000 or more, multiply it by the factor in Column C opposite the applicable years of service. The product is the basic annuity.
4. If the high-five average salary is \$2,500 or less, do not use the table. To obtain the basic annuity, take 1% of the high-five salary, add \$25.00 and multiply the result by years of service. (Check for 80% limitation on maximum annuity.)

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New Laws Benefit Special Groups

Although a number of bills affecting large numbers of employees failed to pass the second session of the 90th Congress, such as retirement liberalization, sick leave compensation, and increased per diem rates, there were some passed and signed by the President that will benefit smaller groups of employees. Among these was a bill providing up to 22 days additional leave for members of the National Guard and reserve units activated by either a governor or the President. It also provides up to three days administrative leave for civil servants whose immediate relatives have been killed in armed conflict in military service.

Further Benefits from the Federal Salary Act

Under the Federal Salary Act of 1967, most Government employees can expect a substantial raise this year. This act was designed to make Government salaries comparable to private industry in three steps, with the final step effective 1 July 1969.

Except for some of the lower grades, the July 1968 raise was designed to close half the comparability gap that existed as of 30 June 1967. This raise *averaged* 4.5 per cent. The new Bureau of Labor Statistics survey revealed that private industry pay for comparable GS positions increased an average of 5.2 per cent between 30 June 1967 and 30 June 1968. As a result, it is estimated that the next raise should *average* around 9 per cent. The chart below shows the lag in comparability for GS grades 1 through 15. It must be pointed out that the pay raises will not necessarily be the same size as the last column indicates because these are rough figures which still must be refined by BLS and CSC, and the raises will have to be adjusted to keep the grades and within grade steps in balance with each other. Even after the next raise, Federal employees will still be a year behind private pay rates if they are paid fully comparable salaries as of June 1968. However, during his campaign, President Nixon promised federal employees that he would speed up the compilation of statistics on comparability to eliminate the delay in pay raises.

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PERCENTAGE LAG IN FEDERAL PAY

GS Grade	Lag After 7/68 Raise (As of 7/67)	Additional Lag Created 7/67-7/68	Approximate Total Lag As of 7/68
1	(+8.6)	7.1	...
2	(+4.1)	5.6	1.5
3	0.0	4.8	4.8
4	0.7	4.9	5.6
5	1.3	5.6	6.9
6	2.7	*	*
7	3.5	5.8	9.3
8	4.1	*	*
9	4.8	5.2	10.0
10	5.1	*	*
11	5.3	5.7	11.0
12	5.9	6.2	12.3
13	6.3	4.4	10.7
14	6.5	2.8	9.3
15	7.0	4.5	11.5

*BLS data was insufficient to compute the lag.

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A PLACE TO LIVE

This is the beginning of a series of articles recommended by a number of Bulletin readers. They are intended to suggest some of the factors to be con-

sidered before taking action or seeking professional advice on buying, selling, renting, or leasing a house or an apartment.



Questions to be Answered

Before deciding whether you should be a householder or apartment dweller, there are a number of questions to which you should have the answer. Here are some of the more important ones:

- Am I looking for an investment, a place to live, or both?
- Do I have the time and temperament to keep up a house and yard?
- Will I be living long enough in one place to make the purchase of a house pay out, or should I rent?
- Can I finance the purchase of the kind of house I want?
- Do I know what to look for in sizing up a house?
- Considering such factors as distances, taxes, house prices, schools, etc., where is the best place for *me* to look for a house?

Why People Buy Houses

People buy houses for various reasons. According to a recent survey by the United States Savings and Loan League, the majority of people buy houses for noneconomic reasons. Sixty-two percent of those surveyed gave these as their chief reasons:

- ▲ Provide a better environment for the children.
- ▲ Privacy.
- ▲ Need for more space.
- ▲ Freedom to improve the property.
- ▲ Wives wanted home.

Of the 38% who said they bought for economic reasons, 22% did so to build up an equity in real estate. Another 10% commented that when you rent, you end up with only a batch of receipts from a landlord. And 6% felt that owning was cheaper than renting.

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A House as an Investment

If you are one of those who are thinking of buying a house for economic reasons or a combination of economic and personal reasons, you should make some realistic comparisons. Some studies have attempted to show that buying is cheaper than renting. This may or may not be true for a particular case, but it certainly is less true for a short-term purchase.

Consider the purchase of a \$20,000 house with a \$4,000 down payment and a 20-year, six percent mortgage of \$16,000. (Although the figures in this example may not exactly fit today's conditions, they will illustrate a point that you can apply to a real situation.) Closing costs come to say \$400 on top of the purchase price. Mortgage payments are \$115 a month and about \$50 a month goes for property taxes and insurance, plus an estimated \$30 a month for upkeep and repairs. That's \$195 a month in ownership costs or \$2,340 a year.

If you're transferred after three years and sell the house for \$19,000, \$1,000 is lost on your investment. You'll probably need a real estate broker to sell the house, so deduct five percent of the selling price, or \$950, for his fee. You therefore net \$18,050 on the sale.

In three years, you built up a \$1,366 equity in the house out of your monthly mortgage payments; the balance of the mortgage money went for interest. Thus the house has cost you a total of \$8,004—\$7,020 in regular monthly expenses, plus \$400 closing costs, \$950 commission for resale, and \$1,000 house depreciation, less your \$1,366 of equity.

You may receive an income tax benefit, depending on your bracket, because mortgage interest and property taxes are tax deductible. In the above example, they average about \$1,500 a year. For a typical family of four earning \$10,000 a year, that deduction produces an income tax savings of about \$385 a year, or \$1,155. Total net cost to own the house for three years comes to \$6,849 (\$8,004 less \$1,155).

Suppose you had rented a comparable house for \$200 a month, figuring rent at one per cent of house value per month. That would cost you \$2,400 a year, or \$7,200 in three years. A down payment isn't

required, so your \$4,000 could be earning five percent compound interest a year. Net cost renting therefore falls to \$6,570 (\$7,200 less \$630 for three years interest). Under these conditions renting would have saved you \$279.

After 40 months, the pendulum begins swinging back in favor of buying. That's when your growing equity in the house over-balances ownership costs. However, home ownership costs are going up over twice as fast as rents. The *Washington Post* points out that last year home ownership costs rose 5.2%, rents only 2.4%. In the past four years home ownership costs rose 12.2%, rents only 5.2%.

Of course there are other possibilities to consider. There are developers who will rent you a house and then if you decide later to buy the home, part of the rental money is credited toward the purchase. Or you may decide to lease your house when you are transferred.



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If you lease your home, it becomes a business and you can deduct the costs of running the property as a business from the rent to determine the net income. Among the expenses that can be charged off are the interest on the mortgage, maintenance and repairs, agents' fees, advertising, property and liability insurance premiums, and annual depreciation on the house and the improvements. To protect yourself from excessive depreciation of the property, first be sure you get good tenants. Next, use a lease that requires the occupant to keep the premises neat and clean and the furnishings (stove, refrigerator, etc.) to be returned in as good a condition as received, less reasonable wear and tear.

What Price House and Mortgage?

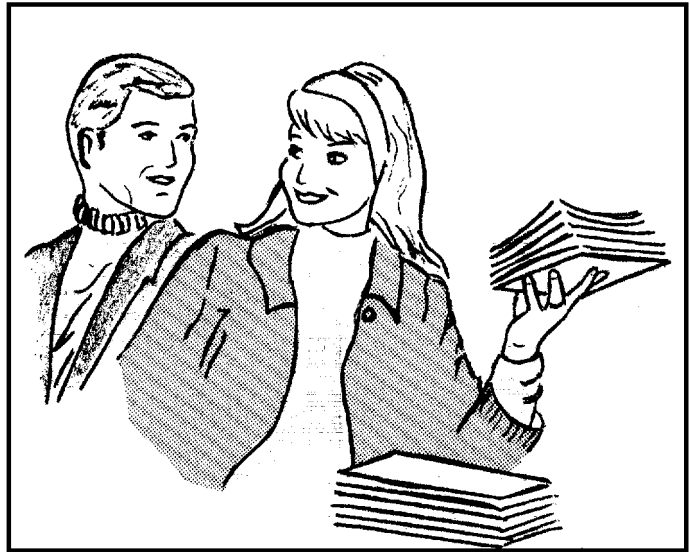
Certain rules of thumb for buying a house have been around for years, such as two and a half times your salary. Perhaps there are some to whom it

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might apply but certainly not to everyone. The same applies to the formula of one week's salary per month should cover your housing costs. Estimates based on Federal Housing Administration data indicate that homeowners spend about 24% of their *after-tax* monthly income on the basic housing expenses—the mortgage payment, house insurance, maintenance, repairs, heating, utilities, and real estate taxes. Of course people with larger incomes buy larger homes and have larger monthly expenses but spend a *smaller* percentage of their earnings on housing. Figures range from 28.8% of after-tax income for \$400 to \$500 a month incomes to 16.9% for those making \$1,200 and over. Although these figures may interest you, they can't solve your personal problem. The only way this can be done is by working out a housing budget and using it as a guide in shopping for a house. Take your monthly income and subtract your monthly expenses and the amount you want to save. The balance will be your monthly housing budget. Now you are ready to use a shopping guide like the one below.



By comparing the total expenses with your housing budget, you will be able to determine which house you can afford. If you are having trouble getting exact figures, you might use a ratio based on FHA-insured homes bought on 5% down payments and 30-year mortgages. Take the cost of the house, subtract 5% and then take 1% of the remainder. On a \$20,000 house this would give you a \$190 estimate for all housing-expense items. Credit Union literature suggests a simpler formula—10% of the home's market value (or \$2,000 in the above case) gives you the approximate annual housing cost.

Be Sure To Look Ahead

When deciding between differently priced houses, both of which you can afford, it is wise to look to the future. You might choose a larger and more expensive house if you plan to have more children and want to avoid moving into a larger house later—particularly with the upward trend in the prices of houses and mortgages. Or you may feel certain that you will be getting promotions in the future with a steady increase in money available for housing. In that case you might want to tighten up on other budget items now or cut back on savings temporarily until your raise comes through.

One thing is sure—it will pay you to take time to do some careful figuring, because the purchase of a house is probably the largest financial transaction your family will ever make.

	House 1	House 2
Price	_____	_____
Maximum down payment you are prepared to make	=====	=====
Mortgage needed	_____	_____
Monthly housing expenses		
Mortgage payment	_____	_____
Maintenance, repairs	_____	_____
Heating, utilities	_____	_____
Home insurance	_____	_____
Real estate taxes	_____	_____
Additional commuting cost, if any	=====	=====
Total	_____	_____

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IS JOINT OWNERSHIP FOR YOU ?

Some of the Advantages

According to the Kiplinger Service, the advantages of joint ownership of property has lead millions of married couples to hold homes in their joint names with the right of survivorship, along with uncounted billions of dollars' worth of savings bonds, bank accounts, securities, and other property. Joint ownership of the family home and a joint bank account contribute to a sense of family togetherness and equal sharing. Further, joint savings and checking accounts are found to be more convenient. Credit Union literature points out that a husband and wife often find the joint account a convenient device to assure that the survivor may withdraw the balance of the account without the expense and inconvenience of estate administration. Families of modest means normally find dual ownership to be most advantageous, but there are some disadvantages that you might want to consider.

A Possible Problem

One of the disadvantages of joint checking and some savings accounts is the fact that one of the joint owners may draw on the account for all or part of the funds without the knowledge of the other. In some cases this can lead to embarrassing overdrafts or disagreements when done inadvertently; and if there is a rift in the relationship between the parties, the joint account can easily be used purposely to the unfair advantage of the other party.

Other Disadvantages

There are other possible drawbacks to joint ownership that you may not have considered. The survivor may be unable to manage the estate properly. Suppose a wife is left with a large amount of stock she held jointly with her husband, but she

knows nothing about the stock market. Her mishandling of the stock could be financially disastrous. Such a potential disaster can be avoided if the husband is the sole owner of the stock and passes it on by a carefully prepared estate plan.

The chances for flexibility in your planning and allowing for unforeseen contingencies are reduced by joint ownership. Property in joint ownership *generally* cannot be disposed of by will, distributed among several heirs, put in a trust, or go anywhere else except to the surviving co-owner, outright. You could unintentionally disinherit children and other relatives by depending on joint ownership.

In some states jointly held property can be seized to satisfy a legal claim against either owner. Joint ownership of a car may be particularly hazardous. In case of an accident, both owners could become defendants and all the property of both might then be subject to judgment.

Joint ownership can also cause problems in several tax areas; for example, the total value of jointly held property may be taxed a second time when the survivor dies. With the property only in his name, a husband may be able to set up tax savings trusts for half his estate.

No Do-It-Yourself Project

Of course you are the only one who can judge certain personal factors involved in joint ownership with right of survivorship, but you will probably need help in assessing the hazards in beginning, continuing, or dissolving a joint ownership. The problems are too involved to solve on a do-it-yourself basis, and your best protection is to get legal advice—preferably *before* accumulating much property in joint names.

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More information on

PERSONAL PROPERTY CLAIMS

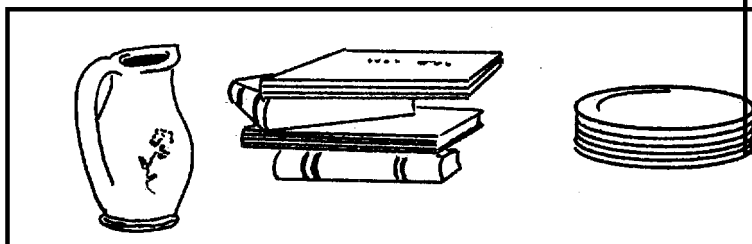
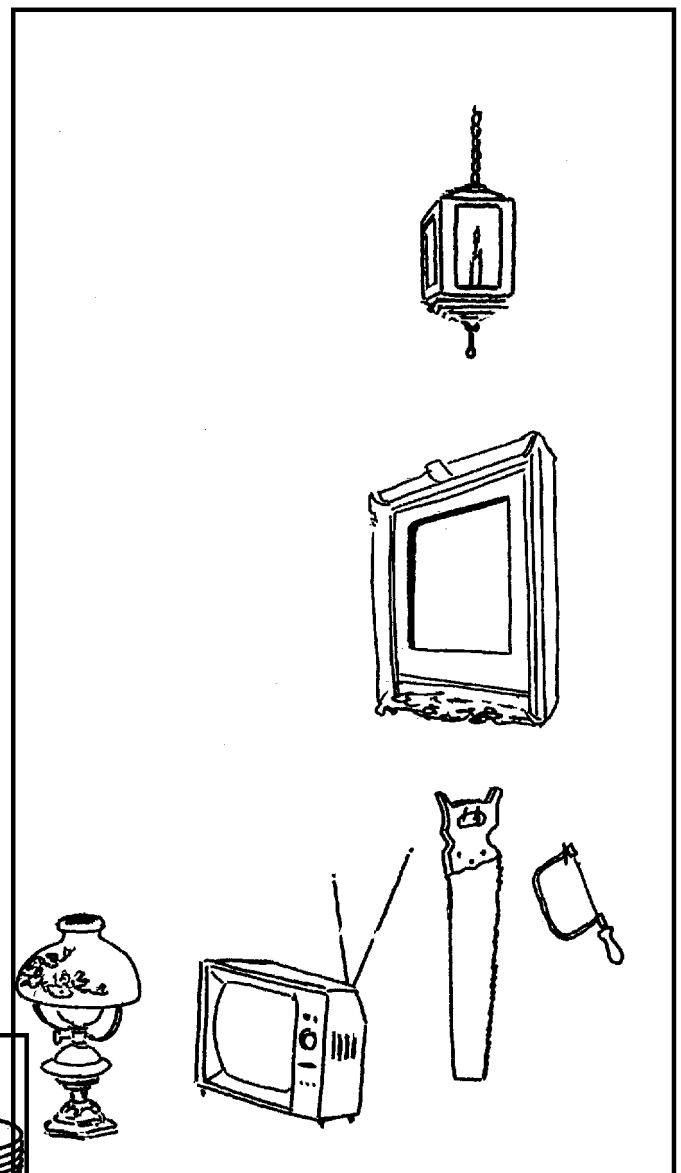
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Protecting Your Interest

Recent issues of the *Support Bulletin* have pointed out certain limitations under the Military Personnel and Civilian Employees Claim Act of 1964, as amended, and [REDACTED] implementing this authority. Employees were informed that the Government does not undertake to repay any and all loss or damage to household goods and personal property and that the maximum amount payable under this act is \$6,500, even though the loss or damage may be greater than \$6,500. Furthermore, within this maximum, compensation may only be paid for types, quantities or amounts determined to be *reasonable, useful, or proper* under the attendant circumstances. You should, therefore, consider whether you possess items of substantial value or items in quantities larger than an average family of your size and economic circumstances probably possesses.

A Guide To Help You

Maximum amounts allowable have been established for specific kinds or categories of property. These amounts per claim, together with depreciation rates, are given in the chart below for your further guidance in assessing the risks involved against the type and amount of insurance coverage you are carrying.



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DEPRECIATION RATES AND MAXIMUM ALLOWANCES

BOOKS—less 25-50% flat rate	\$1,000 per claim
CHINA AND CRYSTAL—less 10% flat rate	\$1,000 per claim
ELECTRICAL, GAS AND OTHER APPLIANCES—10% per year	\$ 750 per claim
FOODSTUFFS (In Shipment)—10% flat rate	\$ 500 per claim
FURS (Coats, Stoles, Capes, Hats, Collars, etc.)—less 10% per year	\$ 500 per item \$ 750 per claim
HOBBIES AND COLLECTIONS (Depreciation varies)	
Of the Claimant	\$ 500 total
For Others in Claimant's Household	\$ 500 total
Of Both Above	\$1,000 total
JEWELRY	
Other than Costume—less 10% flat rate	\$ 250 per item \$ 750 per claim
Costume—less 10% per year	\$ 100 per claim
Watches—less 10% per year	\$ 100 per item
MUSICAL INSTRUMENTS—less 5-20% per year	
Pianos and Organs	\$1,500 per claim
All Other Instruments, Equipment and Supplies	\$1,000 per claim
PAINTINGS AND PICTURES (Including Frames)—less 10% flat rate	\$1,000 per claim \$ 250 per item
PERSONAL MEMORABILIA (Snapshots, Photo Albums, Trophies, Souvenirs, etc.)	\$ 100 per claim
RUGS—less 2-10% per year	\$1,000 per item
SILVERWARE, Sterling and Plated—10% flat rate	\$1,000 per claim
TOOLS (When Shipped in Automobiles)	\$ 25 per claim
TOYS—less 50% flat rate	\$ 500 per claim
WEDDING GOWN	\$ 100 per claim

FINANCE FACTS\$ AND FIGURES\$



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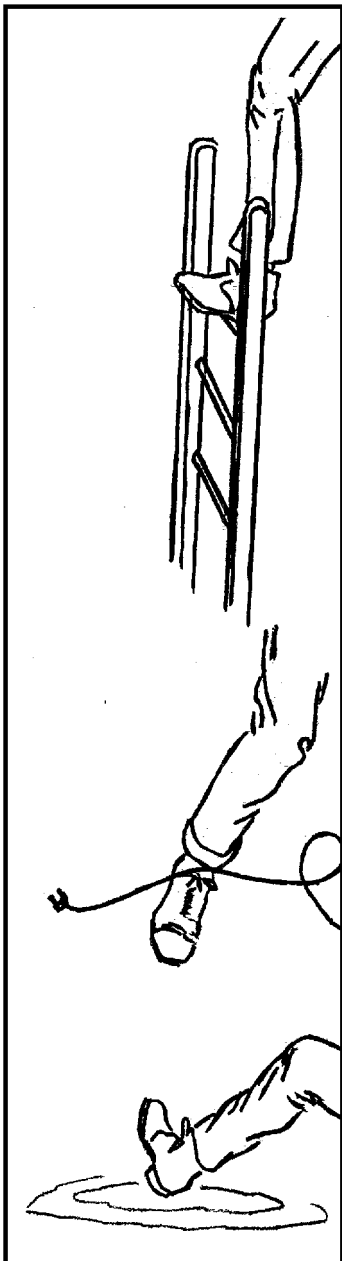
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PROGRESS IN MISSION SAFETY-70 PROGRAM

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A Long Way From the Goal

In February 1965 a new, practical safety effort called Mission Safety-70 Program was initiated by the President to reduce Federal work injuries and costs year by year until a total of 30 percent reduction is achieved by 1970.

Although we've made some progress toward the goal, we still have a long way to go. Using 1965 as a base year, lost time accidents by Organization employees increased 8 percent in 1966, then decreased 10 percent in 1967. This means another 28 percent reduction is necessary to meet our goal by 1970.

Above Average on Slips and Falls

During 1967, 22 percent of the injuries incurred by Organization employees were the result of slips and falls. This is far above the 16 percent average for persons in the Federal Service. We could take an important stride toward reaching the goal of Mission Safety-70 if injuries due to slips and falls were eliminated or greatly reduced. Given below are some of the causes of slips and falls and ways to prevent them.

Although many people might think that hazards that cause tripping, slipping, and stumbling are confined to industrial-type areas, it just isn't so. Many of the accidents happen in office areas, particularly during moving time. Here are a few hints that will help reduce accidents in both places.

Tripping, Slipping, and Stumbling Hazards

Plan and arrange machines, equipment, and walk areas to eliminate possible hazards.

Provide placement and storage areas for tools and equipment. Never leave these articles in areas used for walkways.

Maintain good housekeeping.

Clean up spills, drips, or leaks immediately; correct causes of spills or leaks; provide necessary drains, pans, and splash guards.

Use only slip-resistant waxes and polishes.

Roughen plates, grills, and concretes.

Use nonslip paint, mats, treads, or abrasive surfacing.

Provide signs or barriers where uncontrollable or temporary slipping hazards exist.

Unsafe and Improperly Used Ladders

Bad luck and bad injuries can happen for other reasons than just walking under a ladder. Here are some suggestions on how to avoid a ladder accident.

Be sure ladders are solid with no cracked rungs or side rails.

Have effective bases, spreaders, or other hardware.

Properly attach cleats or steps. If surface is extra-slippery, tie ladder at base or have someone hold it. Place ladder at proper angle on solid level footing and anchored at top. An angle of about 75 degrees with footing is recommended.

Do not place ladder over doorways or travelways. If necessary to do this, then lock the door or have someone guard it and place barrier against traffic.

Face the ladder when climbing up or down and hold on with both hands. Do not stand on top rung of ladder. Be sure a stepladder is fully extended before climbing it. Do not climb with muddy or otherwise slippery shoes.

Unsafe Stairs and Other Hazards

Stairs can be dangerous—and particularly so under certain conditions. Follow these hints to reduce stairway and miscellaneous hazards.

Risers should be the same height and not too high or too low.

Treads should not be slippery, worn, or broken.

Have secure solid railings and use them.

Do not run or walk too fast. Watch where you are walking.

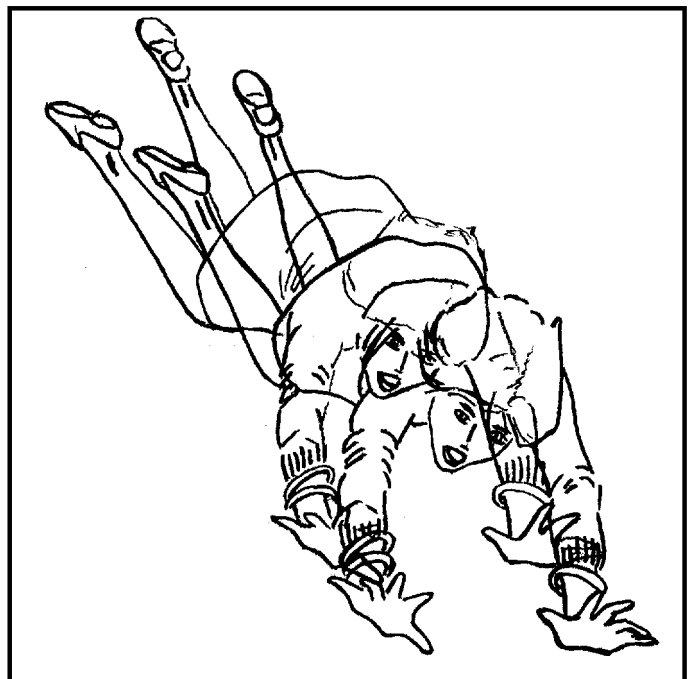
Do not climb on machines, boxes, or chairs.

Always have proper lighting; eliminate shadows and glare.

Don't obstruct vision by load, machines, etc.

A-T-T-E-N-T-I-O-N

Proper appraisal of a Safety Program depends on good reporting. Your attention is invited to the fact that Regulations require that Form 2652a be submitted for each Organization motor vehicle accident, fire, on-the-job injury, or accident involving Organization equipment.

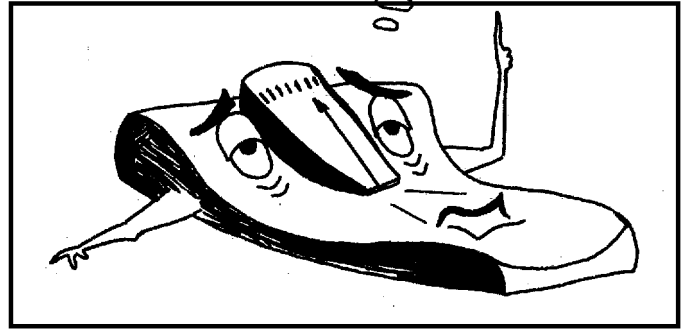


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EXECUTIVE ANNUAL PHYSICAL EXAMINATION

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NO-NO

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An Expanding Goal

For several years, the medical staff has performed annual physical examinations at headquarters on officials in the higher grades. Time and resources have always been limiting factors in this essentially optional program, although the continuing goal is to offer these examinations to ever-larger groups of employees.

A Normal Disease Distribution

What follows are some observations of the results of this program over a recent twelve-month period.

Age distribution of those examined ranged from 32 to 62 years with the preponderance of examinees falling between the ages 41 and 55 years. In reviewing the findings in these examinations, it is apparent that there is essentially the same distribution of disease conditions and abnormalities as is found in the general national population.

High Rate of Obesity and Enlarged Liver

Metabolic disease, gastrointestinal disorders, and cardiovascular conditions account for most of the physical abnormalities among Organization executives examined. Diabetes, gout, abnormalities of the liver, and elevation of the serum cholesterol levels are revealed as the major metabolic disorders. Obesity, however classified, is significantly high and involves approximately 30 per cent of those examined. Gastrointestinal disorders are manifested predominantly by peptic ulcer, hiatal hernia, gastritis, and rectal or lower bowel conditions. The major cardiovascular disorder is clearly hypertension with a surprising number showing electrocardiographic changes in some degree. Respiratory disorders, musculoskeletal disorders, and genitourinary conditions are apparently significant but not major problems statistically.

Neoplasms, benign tumors and/or malignancies, were found in relatively few, with a diagnosis of malignancy, new or old, being made in only 1 per cent of those examined. The findings of 7.1 per cent incidence of rectal polyps would tend to support the recommendation that protoscopy generally be included as an integral part of a complete examination since it is usually advisable that these growths be removed.

The frequency of enlarged liver (7.7 per cent) is surprisingly high as compared to other executive groups nationwide. Glaucoma (1.1 per cent), on the other hand, is found to be below the national average.

Major Problems Can Be Controlled

In sum, the major physical problems among those examined were obesity, hypertension, cholesterol elevation, gastritis and peptic ulcer, diabetes and gout, and liver disorder. Fortunately, all of these conditions can usually be controlled by adequate treatment.

The value of an annual examination program is of course that it surfaces abnormalities in time to correct them. The problem, however, is only partially resolved when the new information is brought to light. Conservation of manpower through utilization of this information in followup action with personal physicians is the ultimate justification of the program.

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HAPPINESS IS A PAID HEALTH INSURANCE CLAIM

Each year the health insurance industry pays out billions of dollars in benefits. If you are one of the many who filed claims for part of them, you know that insurance companies require proof of incurred expenses in the form of itemized bills before they will release a payment. Under most plans you can have the hospital file the claim for you for their

charges, but you usually have to file the claims yourself for doctor bills, nurses' charges, drugs and medicines, and other covered non-hospital expenses. You can simplify this task by making sure that the bills you submit always indicate the following information which is required by all health insurance carriers.

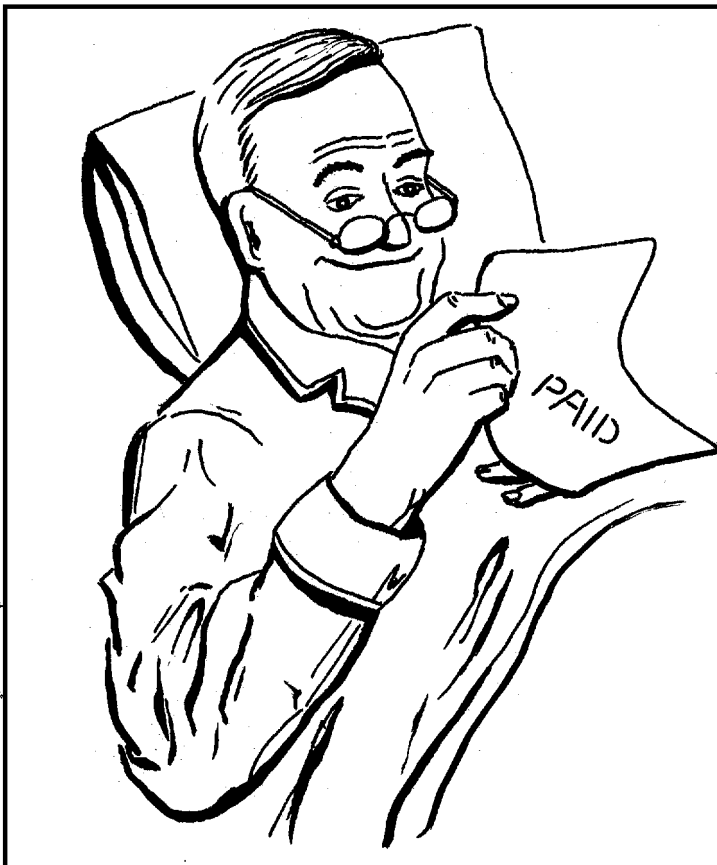
REQUIRED INFORMATION

Name of the Patient. This information is important because the insurance company has to make sure the expense was incurred by a person covered by the policy. It is also important when a deductible is involved because a separate deductible is applicable to each individual person insured under a family policy. The next time your doctor bills you for treatment of one of your children, make sure the bill indicates "for treatment of son, John" or some similar wording.

Date on which Expense was Incurred. Many benefits have limitations on a "dollars per period of time" basis such as "the first \$75 per calendar year." Deductibles are also cumulative over a specific time period, e.g. "calendar year." Therefore, the exact date on which an expense is incurred is essential. (An expense is incurred on the date a service or supply is rendered—not the date on which it is paid.) The exact date is also necessary to prevent duplicate payment for the same expense. The Plan may also need the exact date to establish that an expense was incurred while the policy was in effect.

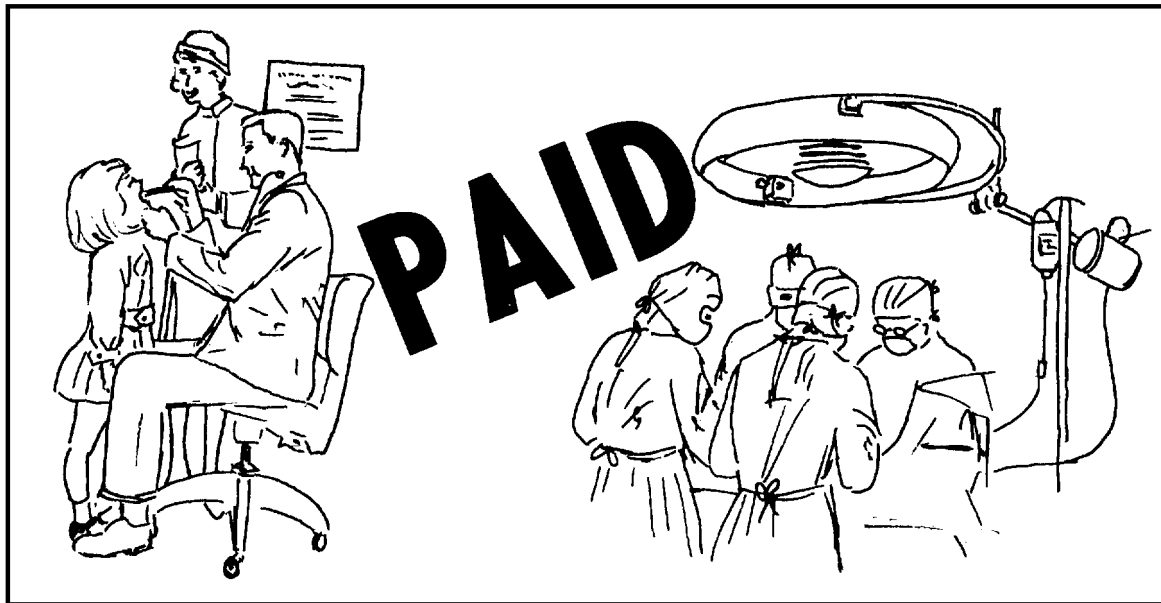
Specific Service or Supply Provided—And by Whom. This is particularly important on claims for surgery, since most plans pay benefits for such expenses on a "fee schedule" or "regular and customary charge" basis. Claims processors have a list

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of benefit allowances for literally hundreds of surgical procedures. If your claim does not identify the exact surgical procedure involved, they cannot determine the proper allowance and usually have to return the claim for you to obtain this information from your doctor. You may realize how many bones there are in the human body, but you might be surprised at how many different types of fractures can happen to them and how many ways in which they can be treated. All of this has a bearing on the appropriate charge and benefit to be paid. Don't be a do-it-yourselfer in providing this information. Let your surgeon supply the exact medical description of the surgical procedure performed.

Charge for EACH Item. Emphasis is on the word "each." The reason for this is best illustrated by example. Suppose your plan pays basic benefits for the first \$75 of diagnostic X-rays and laboratory work each year, but pays for doctor's services only after a deductible has been met. If you submit a bill from your doctor which indicates a charge of "\$35 for office visit, lab work, and X-ray," your claim cannot be computed because the claims processor does not have the individual charge for each item. He does not know how much of the \$35 charge was for laboratory work and X-ray and payable immediately, as opposed to how much was for the office visit and chargeable toward the deduct-



Those strange polysyllabic medical words are a help rather than a hindrance to the person who settles your claim.

Since all health insurance companies define who is a "doctor" for purposes of their plan, it is also important that your claims indicate who performed the service for which you are seeking reimbursement. The letterhead on which a doctor bills his services indicates he is a medical doctor, osteopath, dental surgeon, podiatrist, chiropractor, psychologist, or other practitioner. Claims personnel look for this information because it has a bearing on whether or not the service is covered by the plan.

ible. Many doctors routinely break down their charges by item. If yours does not, ask his nurse or receptionist to provide this information on the bill.

Prescription Number of Drugs and Medicines. Typically, health insurance plans reimburse only for the expenses of drugs or medicines obtainable only on the written prescription of a licensed doctor. This rules out all patent and over-the-counter medicines such as aspirin, nosedrops, vitamins, antacids, etc., even if recommended by your doctor. When you get a prescription filled, ask your druggist for a regular prescription receipt which indicates the name of the patient, the date of purchase, and the prescription number.

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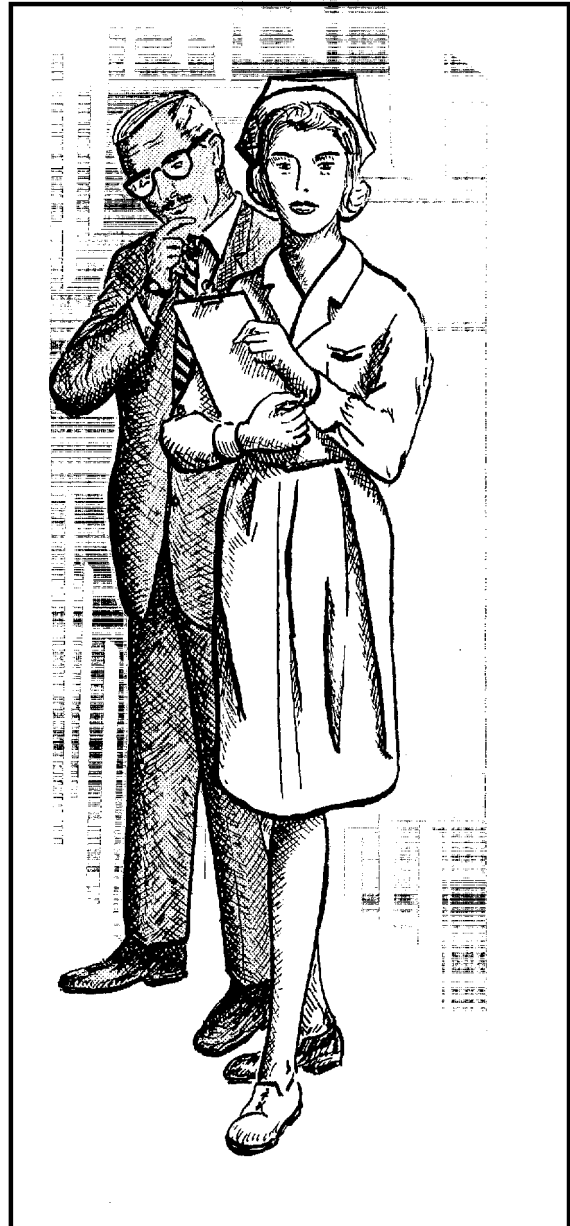
Nature of the Illness or Diagnosis Related to Each Expense. As a general rule, health insurance companies insure against only those expenses which are related to the treatment of illness, injury, and pregnancy. They usually exclude preventive care and routine check-ups and immunizations. Therefore, you should, insofar as possible, clearly indicate the nature of the illness or injury for the expenses for which you are submitting your claim. Insurance companies believe that annual physicals and routine immunizations involve expenses which can be anticipated and should be budgeted for, rather than insured against.

Other Ways to Save Effort and Time

There are two other ways in which you can save yourself some effort in the job of submitting claims. First, be familiar with the provisions under which your plan pays benefits. By so doing, you will avoid the wasted effort of submitting claims for non-covered expenses and you might be able to answer a lot of your own questions that arise when you get back less payment for a claim than you thought you should. Second, keep a record of all medical expenses that you and your family incur. If your plan does not already supply you with such forms, it is easy to make your own—preferably a separate form for each family member. Allow for the following headings: Date Cost Incurred, Amount of Cost, Paid To, Paid For, and Amount Reimbursed by Insurance. Such a record will help you keep track of what you have and have not submitted to your insurance plan. And, if you include all medical expenses on your personal record, both those which are not covered by your insurance as well as those which are, you will find this a very helpful record at income tax time.

By taking a little extra time to make sure all necessary information is included in your claim, you can save time both for yourself and your insurance plan. Generally speaking, it costs almost as much time and administrative expense to review and reject a claim as it does to pay it. Since administrative expense is paid for with your premium dollars, you benefit as well as the insurance plan when you submit a carefully prepared claim which does not have to be handled twice.

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HOW TO SUGGEST

If you read in the newspaper about the report Chairman John W. Macy, Jr., of the Civil Service Commission presented to the President, you may have wondered why you couldn't think up an acceptable idea if 145,623 suggestions were adopted by the Government last fiscal year with an average award of \$44. The changes are good that you can with the right approach and presentation.

Presented below is a "check list" that the Suggestion Awards Committee feels should prove helpful to you in stimulating your ideas and in giving them the best possible presentation.

Look Closely At What We Do Know

Suggestions can concern your job or any other job in your unit. Suggestions can relate to:

Forms	Safety
Equipment	Service
Procedures	Installation

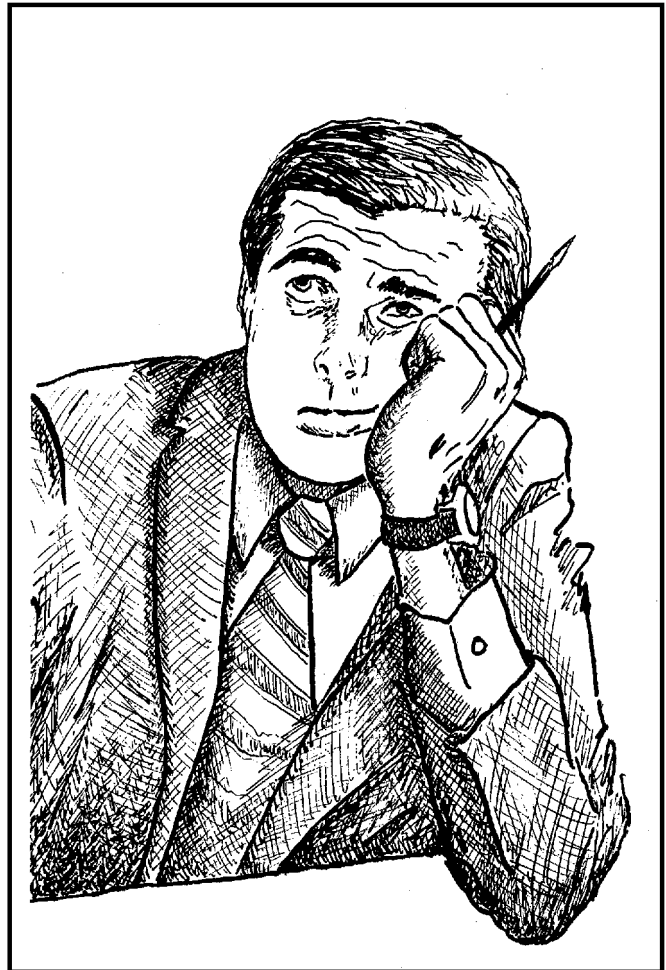
Question The Rightness of Everything

- Why do we do this?
- Why does it take this long?
- Why this form?
- Why this step?
- Why this equipment?
- How can this item be improved?
- How could the design be changed?
- Could it be made of different material?
- How can we reduce service problems?

Present Your Idea

- State the problem clearly.
- State the benefits from the change.
- Explain exactly how the change should be made.
- Give all the facts:
 - Name and number of items or forms.
 - Where the suggestion applies.
 - Who is concerned.

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Hints For Success

- One improvement on a form.
- Think it over from every angle.
- Be specific.
- Use sketches.
- Present your ideas step by step.
- Talk it over with your boss.

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We had a great idea for a Security Poster
--- But somebody stole it!

Leave an idea on your desk or in an unlocked
drawer or on a wall, and there's a good chance
it will wind up in somebody else's head.

Mention an idea at a party or at lunch or
in an elevator and it's bound to reach
somebody else's ears.

Consider an idea a published fact and
it's bound to end up in somebody
else's publication.

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